Australian Government
Department of Industry, Science, Energy and Resources | Anti-Dumping Commission

IMPORTER QUESTIONNAIRE

ANTI-CIRCUMVENTION INQUIRY NO. 552

ALLEGED SLIGHT MODIFICATION OF A4 COPY PAPER EXPORTED TO AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA

This questionnaire seeks information in relation to your imports and sales of certain A4 copy paper (the goods), and A4 copy paper with a weight of 68 grams per square metre (the circumvention goods), exported to Australia from the People's Republic of China (China).

This information will assist in determining whether a circumvention activity in the form of a slight modification of goods has occurred in relation to A4 copy paper exported to Australia from China.

Anti-Dumping Notice No. 2020/045 provides details of the goods the subject of the inquiry and inquiry procedures.

Part A	**Company and overseas supplier information**	**Return as quickly as possible but no later than 5 May 2020**
Part B	**Imports and forward orders**	**Return as soon as possible after receiving the Commission's detailed spreadsheets but no later than 19 May 2020**
Part C	**Sales and expenses**	

The timeliness of your response is important. The Commissioner of the Anti-Dumping must consider the direction from the Minister as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). More details on this direction are explained in Anti-Dumping Notice No. 2015/129, available on the Commission's website at www.adcommission.gov.au.

Return E-mail: investigations2@adcommission.gov.au

PART D
THE GOODS AND THE CIRCUMVENTION GOODS

Please return your response to Part D along with your response to Parts B & C no later than 19 May 2020.

There are three limited liability companies involved in the production and sale to Australia of the alleged circumvention goods. UPM (China) Co., Ltd. ("**UPM-China**") is a manufacturing company incorporated in Jiangsu Province, China. UPM-China manufactures A4 copy paper for sale in China and is a contract manufacturer of such paper for export to countries in Asia and the Middle East including Australia.

UPM Asia Pacific Pte Ltd ("**UPM-AP**") purchases and provides major imported manufacturing inputs to its wholly owned subsidiary UPM-China for the production of copy paper that it exports to the markets mentioned above. UPM-Kymmene Pty Ltd (**UPM-Aus**) is the UPM sales company in Australia, operating as a commission agent representing UPM-AP in Australia and New Zealand.

The alleged circumvention goods are sold by UPM-AP [redacted] to the sole Australian customer – Complete Office Supplies (**COS**). [redacted]

[Commercially sensitive sales & delivery information]

We understand that the use of the term 'the goods' by the Commission in this document is a reference to *...the goods the subject of the notice..*, as stipulated in section 48(3) of the *Customs (International Obligations) Regulation 2013* (**Regulation**). The term 'the goods' when used in the answers provided below has the same meaning.

We also note that a number of questions ask for various comparisons between *the goods* and the *alleged circumvention goods.* As UPM-AP has never sold the goods to COS such comparisons cannot be made and the circumstances of the sales to COS do not fall within the terms of the comparisons required by Section 48 of the Regulation.

D.1 Ordering process

1. When did you first commence importing the alleged circumvention goods into Australia?

   Imports commenced [redacted]. [Commercially sensitive sales information]

2. Fully describe the ordering and purchase process from your overseas suppliers, from market offer through to invoicing, delivery and payment.

   Orders are emailed to [redacted]

   New purchase orders are [redacted]

   The goods are produced in Changshu, near Shanghai [redacted]

UPM-Aus creates [redacted]

[Commercially sensitive production and sales information.]

3. Does the process described above differ in any way between the goods and the alleged circumvention goods? Provide details.

   No comparison is possible because 'the goods' do not exist. Generally the same process applies to all of UPM-APs sales of a4 copy paper although items such as incoterms and credit terms may vary.

4. Are the alleged circumvention goods that you imported into Australia during the inquiry period part of your supplier or suppliers' standard product offering to Australia, or are they only available in special circumstances (e.g. through special order, to certain customers etc.)? Please provide details.

   68 gsm copy paper is a standard product offering of UPM-AP's toll manufacturer, UPM China, and has been produced for over 15 years.

5. Are the alleged circumvention goods purchased in accordance with a supply agreement or contract? If so, please provide a copy of this supply agreement/contract.

   Sales Agreement with COS can be found at Confidential Appendix 1

6. Do you (or did you initially) specifically request the alleged circumvention goods?

   No. The 68gsm product was a long standing part of UPM's production range and a combination of factors led to the sale of the product to Australia. From COS's perspective the sourcing of the first, fully recyclable product delivering optimal performance while minimising environmental impact represented an attractive marketing opportunity. Further advantages included a substantial reduction in the gap between order and delivery attaching to shipments from [redacted] and a significant reduction in shipping costs flowing from the increase in the amount of product per container.
   [Commercially sensitive origin information]

7. What is the minimum order quantity from your supplier of the goods and the alleged circumvention goods?

   Full container load.

D.2 Purchase price

1. Is there a difference in purchase price from your supplier/s between the goods and the alleged circumvention goods, assuming all other factors of the sale were the same (e.g. order quantity, product characteristics, credit terms etc.). Provide details.

   Pricing in both cases is based on UPM's targeted rate of return.

   If the answer to the above is yes, quantify the price difference for each year of the inquiry period from 1 January 2015. Provide any documents that support this price difference (e.g. price lists, comparable invoices, etc).

   Not Applicable

D.3 Supplier relationships

1. If your company 'shifted' from importing the goods to the alleged circumvention goods during the inquiry period, answer the following questions

   UPM-AP never 'shifted' from importing the goods because they had never imported the goods for sale to COS during the inquiry period.

   a) Which supplier(s) were supplying you the goods prior to shifting to imports of the circumvention goods?

      Not applicable.

   b) What was the reason for this shift in imports?

      Not applicable.

   c) What was this shift in response to?

      Not applicable.

D.4 End use applications

1. After importing the alleged circumvention goods, explain the subsequent sales and distribution channel within the Australian market. For example, do you on-sell the products to other Australian entities for their use/consumption, or for their further on-sale?

   Complete Office Supplies Pty Ltd is the sole Australian customer for UPM-AP's 68gsm product. UPM is not involved with sales in the Australian market.

2. In general, are there any specific purpose(s) and/or end use(s) that the alleged circumvention goods you import are suitable for that the goods are not suitable for? Provide specific product details and supporting evidence where possible.

   The goods are the first and only fully recyclable offering in the market.

3. Are there any purpose(s) and/or end use(s) that the goods and the circumvention goods can be used interchangeably for?

   UPM's 68gsm product comes complete with a unique biodegradable, recyclable and plastic free wrapper, the only one in the Australian Market.

4. What standards/specifications are the goods and the alleged circumvention goods manufactured to? What are the relevant tolerances that apply to the manufacture of the products?

   Normal papermaking standards. The goods for comparative purposes do not exist. Product specifications of alleged circumvention goods is as follows:

Item/Material code	
Substance, gsm	68
Thickness, µm	97
CIE Whiteness	165

Opacity, %	**90**
Roughness Bendtsen, ml/min	**230**

5. If you are importing both the goods and the alleged circumvention goods, explain why you are importing a mix of these products to Australia.

UPM-AP only imports 68gsm into Australia. It sells but does not import the goods. UPM-AP as the export sales operation for UPM in the Asia Pacific region considers on a commercial basis all opportunities to secure markets for products produced by various UPM mills.

6. If your company on-sells the circumvention goods to other parties within the Australian market, please refer to questions at sections D.5 and D.6 below.

UPM does not sell the alleged circumvention goods to other parties and [redacted]

[Commercially sensitive information]

D.5 Selling price in the Australian market

1. Is there a difference in selling price between the goods and the alleged circumvention goods to your Australian customer/s, assuming all other factors of the sale were the same (e.g. order quantity, product characteristics, credit terms etc.). Provide details.

There has never been any relevant sales of the goods and therefore there are no selling prices for comparative purposes. UPM-AP's pricing of all products is based on a targeted rate of return and any differences in CTMS between products will be reflected in price differences.

If the answer to the above is yes, quantify the price difference for each year of the inquiry period from 1 January 2015. Provide any documents that support this price difference (e.g. price lists, comparable invoices, etc.).

There were no sales of the goods to COS in the period 2015 – 2019.

D.6 General questions

1. If your customer(s) changed their preference from purchasing the goods to the circumvention goods, please indicate what factors may have contributed to this, e.g. price, end use, quality, any other factors etc.

COS has never purchased the goods from UPM-AP. Factors that may have influenced COS to purchase the alleged circumvention goods are considered in **D.1** – 6 above.

2. Do you sell the alleged circumvention goods to your customer/s in the Australian market in accordance with a supply agreement or contract? If so, please provide a copy of this supply agreement/contract.

Please see attached Confidential Appendix 1.

3. Is the weight in gsm of the goods that you supply to your Australian customers described on any of the commercial or other documentation associated with that sale, including your offer for sale to your Australian customers? If so, please provide documentary evidence of this (invoice, purchase order, offer for sale, etc.).

Yes. Please see attached Confidential Appendix 2.

4. How are the goods and the alleged circumvention goods marketed in the Australian market? In your response, address the following:

   UPM-AP is not responsible for the marketing in Australia of the alleged circumvention goods. Marketing is undertaken by COS.

   The following questions have been marked “not applicable” because there are no goods the subject of the notice as required by the Regulation for use in the specified comparisons.

   a) the applications and end uses that the goods and the alleged circumvention goods are marketed for;

      Not Applicable

   b) the type of customers (end users, retailers etc.) the marketing of the goods and the alleged circumvention goods is targeted at;

      Not Applicable

   c) whether the goods and the alleged circumvention goods are marketed as proprietary/private label brands (whether they be the customer’s or manufacturer’s) or generic brands;

      Not Applicable

   d) the advertising and marketing costs incurred in respect of the goods and the alleged circumvention goods

      Not Applicable